

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

JANUARY 5, 2000

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF FILING TO OFFER CONTRACT
SERVICE ARRANGEMENT (TN 99-1047-00)**

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**DOCKET NO.
99-00189**

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN 99-1047-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 99-1047-00 ("CSA"). BellSouth filed Tariff No. 99-00189 on March 22, 1999, with a proposed effective date of April 21, 1999. The Directors of the Authority considered this matter at the regularly scheduled Authority Conference held on April 20, 1999.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority finds and concludes the following:

1. The purpose of this CSA is to provide Frame Relay Service to the customer identified in the filing. Frame Relay utilizes a special network, separate from the public switched network, for providing customers with high-speed data transport between multiple locations.

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2. The term of this CSA is twenty-four (24) months and it is designed to provide Frame Relay Service at an overall rate comparable to competitive alternatives. Through this CSA, BellSouth is offering the customer a waiver of non-recurring charges as a discount.

3. No parties sought to intervene in this docket.

Based upon the foregoing, as well as further concluding that nothing in the CSA conflicts with the criteria for special contracts¹ and that certain consumers are getting lower rates in Tennessee,² a majority of the Directors of the Authority determined that, in this docket, the CSA should be granted.³

¹ Director Greer moved to approve this CSA consistent with his previous votes. At the March 16, 1999 Authority Conference, he did not find similar CSAs in conflict with either Tenn. Code Ann. § 65-4-122(a) or § 65-5-208(c), and stated further, that "Rule 1220-4-1-.07 impose[s] no restrictions, nor d[oes] it give us a road map. And I don't find any compelling reason to deny these CSAs based upon our rules." Transcript of March 16, 1999 Authority Conference, pp. 50-51.

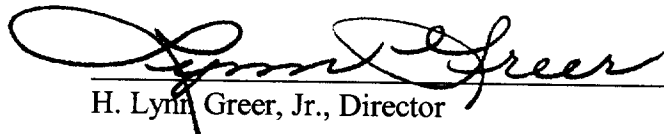
² When making her motion to approve similar CSAs at the March 16, 1999 Authority Conference, Director Kyle agreed that "customers are better off with these agreements than they are under the general tariff...." (*Id.*, p. 55).

³ So as to be consistent with both his reasoning and his votes on November 17, 1998, January 12, 1999, January 19, 1999, February 2, 1999 and March 16, 1999 relative to similar CSAs, Chairman Malone voted no. Additionally, Chairman Malone opined that approval of each CSA without an in-depth and thorough review and analysis further impedes the development of a competitive environment and under such circumstances, "is totally contrary to the motion opening the CSA docket. And it is inconsistent with the federal act and with the state act to foster the development of a competitive environment." Transcript of April 20, 1999 Authority Conference, p 97.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc. Tariff No. 99-00189, which seeks approval of Contract Service Arrangement No. TN 99-1047-00, is hereby granted.

Melvin J. Malone, Chairman

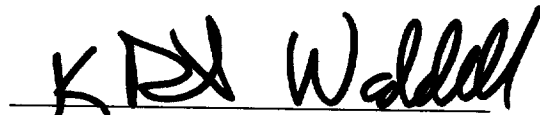


H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary

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*** Chairman Malone voted against approval.